SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED INGLESIDE ETHYLENE LLC AND OCCIDENTAL CHEMICAL CORPORATION PROJECT (#346) ON THE FINANCES OF THE INGLESIDE INDEPENDENT SCHOOL DISTRICT INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION

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PREPARED BY

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

Estimated Impact of the Proposed Ingleside Ethylene LLC and Occidental Chemical Corporation Project (#346) on the Finances of the Ingleside Independent School District Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Ingleside Ethylene LLC and Occidental Chemical Corporation (Oxychem) has requested that the Ingleside Independent School District (IISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to IISD on September 5, 2013, Oxychem proposes to invest $1.2 billion to construct a new ethylene manufacturing project in IISD.

The Oxychem project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, IISD may offer a minimum value limitation of $30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years. In this case, however, the Company has requested a one-year deferral of the start of the qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2015-16 and 2016-17 school years. Beginning in the 2017-18 school year, the project would go on the local tax roll at $30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project would be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with IISD currently levying a $0.04 per $100 I&S tax rate. The full taxable value of the investment is expected to reach $1.1 billion in the 2017-18 school year, nearly doubling the I&S tax base of IISD.

In the case of the Oxychem project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. IISD would experience a revenue loss of $9.1 million as a result of the implementation of the value limitation in the 2017-18 school year. The total revenue loss over the course of the agreement is estimated to be $12.3 million.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $77.9 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted during the First Called Session in 2011 made $4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by $325 and $365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the 6 cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

While the Legislature's resolution of target revenue issues and the movement to a formula-based system is important, IISD is classified as a formula district under all of the estimates presented below. ASATR funding is not a factor in these estimates.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Oxychem project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and base property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models. (As noted previously, the provisions for ASATR funding do not have an impact on these estimates.) The projected taxable values of the Oxychem project are factored into the base model used here in order to simulate the financial impact of the project in the absence of a value limitation agreement. The impact of the limitation value for the proposed Oxychem project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 2,115 students in average daily attendance (ADA) in analyzing the effects of the Oxychem project on the finances of IISD. The District's local tax base reached nearly $1.3 billion for the 2012 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of $1.04 per $100 is used throughout this analysis. IISD has estimated state property wealth per weighted ADA or WADA of approximately $446,565 for the 2014-15 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for IISD under the assumptions outlined above through the 2029-30 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Oxychem facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Oxychem value but imposes the proposed property value limitation effective in the third year, which in this case is the 2017-18 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, IISD would experience a revenue loss of $9.1 million as a result of the implementation of the value limitation in the 2017-18 school year. Under the estimates presented here, it is assumed that Oxychem would save $11.6 million in M&O taxes in the 2017-18 school year. At the same time, however, there is only a $2.5 million reduction in recapture costs to offset the impact of this loss in M&O tax collections that year.

Beginning with the 2018-19 school year, the state property value study reflects the $30 million value limitation amount and most of the M&O reduction is offset—at least for the first $1.00 of tax effort—almost entirely from reduced recapture costs. (These estimates are reflected in Table 4.) For the last four cents of tax effort, there is a recurring revenue loss of approximately $400,000-$500,000 annually during the remainder of the value limitation agreement related to a reduction in Tier II revenue that is not addressed entirely by the reduction in the property value study.

The Comptroller's state property value study clearly influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two state property value determinations are also made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A $1.04 per $100 of taxable value M&O rate is assumed in 2013-14 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $83.3 million over the life of the agreement. In addition, Oxychem would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately $6.9 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key IISD revenue losses are expected to total approximately $12.3 million over the course of the agreement under what is now current law. Total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are expected to reach $77.9 million over the life of the agreement.

Facilities Funding Impact

The Oxychem project remains fully taxable for debt services taxes, with IISD currently levying a $0.04 perI&S rate. While the value of the Oxychem project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to increase the District's ability to meet its debt service needs, since its I&S tax base will nearly double in its peak value year.

The Oxychem project is not expected to affect IISD significantly in terms of enrollment. While the project is expected to add 100 new jobs when it goes into operation, it is difficult to determine location decisions for new employees, since there are a number of residential options available within the broader Corpus Christi area.

Conclusion

The proposed Oxychem manufacturing project enhances the tax base of IISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated $77.9 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also significantly enhances the tax I&S tax base of IISD in meeting its future debt service obligations.

Table 1 – Base District Information with Oxychem Ethylene Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2014-15	2,115.36	2,848.71	$1.0400	$0.0400	$1,291,467,237	$1,291,467,237	$1,272,134,392	$1,272,134,392	$446,565	$446,565
1	2015-16	2,115.36	2,848.71	$1.0400	$0.0400	$1,411,467,237	$1,411,467,237	$1,272,134,392	$1,272,134,392	$446,565	$446,565
2	2016-17	2,115.36	2,848.71	$1.0400	$0.0400	$1,891,467,237	$1,891,467,237	$1,392,134,392	$1,392,134,392	$488,689	$488,689
3	2017-18	2,115.36	2,848.71	$1.0400	$0.0400	$2,434,419,002	$1,320,063,388	$1,872,134,392	$1,872,134,392	$657,186	$657,186
4	2018-19	2,115.36	2,848.71	$1.0400	$0.0400	$2,400,130,449	$1,320,063,388	$2,415,086,157	$1,300,730,543	$847,782	$456,603
5	2019-20	2,115.36	2,848.71	$1.0400	$0.0400	$2,366,870,553	$1,320,063,388	$2,380,797,604	$1,300,730,543	$835,746	$456,603
6	2020-21	2,115.36	2,848.71	$1.0400	$0.0400	$2,334,608,453	$1,320,063,388	$2,347,537,708	$1,300,730,543	$824,070	$456,603
7	2021-22	2,115.36	2,848.71	$1.0400	$0.0400	$2,303,314,217	$1,320,063,388	$2,315,275,608	$1,300,730,543	$812,745	$456,603
8	2022-23	2,115.36	2,848.71	$1.0400	$0.0400	$2,272,958,808	$1,320,063,388	$2,283,981,372	$1,300,730,543	$801,760	$456,603
9	2023-24	2,115.36	2,848.71	$1.0400	$0.0400	$2,243,514,060	$1,320,063,388	$2,253,625,963	$1,300,730,543	$791,104	$456,603
10	2024-25	2,115.36	2,848.71	$1.0400	$0.0400	$2,214,952,656	$1,320,063,388	$2,224,181,215	$1,300,730,543	$780,768	$456,603
11	2025-26	2,115.36	2,848.71	$1.0400	$0.0400	$2,187,248,093	$2,187,248,093	$2,195,619,811	$1,300,730,543	$770,742	$456,603
12	2026-27	2,115.36	2,848.71	$1.0400	$0.0400	$2,160,374,667	$2,160,374,667	$2,167,915,248	$2,167,915,248	$761,016	$761,016
13	2027-28	2,115.36	2,848.71	$1.0400	$0.0400	$2,134,307,445	$2,134,307,445	$2,141,041,822	$2,141,041,822	$751,583	$751,583
14	2028-29	2,115.36	2,848.71	$1.0400	$0.0400	$2,109,022,238	$2,109,022,238	$2,114,974,600	$2,114,974,600	$742,432	$742,432
15	2029-30	2,115.36	2,848.71	$1.0400	$0.0400	$2,084,495,588	$2,084,495,588	$2,089,689,393	$2,089,689,393	$733,556	$733,556

***Basic Allotment: $5,040; AISD Yield: $61.86; Equalized Wealth: $504,000 per WADA**

Table 2– "Baseline Revenue Model"--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	$12,642,284	$2,222,096	$0	$0	$505,691	$195,052	$0	$15,565,123
1	2015-16	$13,818,284	$2,222,096	$0	$0	$552,731	$221,472	$0	$16,814,583
2	2016-17	$18,522,284	$1,022,096	$0	$0	$740,891	$207,642	$0	$20,492,913
3	2017-18	$24,066,083	$709,558	$0	-$5,329,186	$962,643	$0	$0	$20,409,098
4	2018-19	$23,723,197	$709,558	$0	-$9,335,066	$948,928	$0	$0	$16,046,617
5	2019-20	$23,390,598	$709,558	$0	-$8,999,925	$935,624	$0	$0	$16,035,855
6	2020-21	$23,067,977	$709,558	$0	-$8,674,768	$922,719	$0	$0	$16,025,486
7	2021-22	$22,755,035	$709,558	$0	-$8,359,296	$910,201	$0	$0	$16,015,498
8	2022-23	$22,451,481	$709,558	$0	-$8,053,219	$898,059	$0	$0	$16,005,879
9	2023-24	$22,157,034	$709,558	$0	-$7,756,258	$886,281	$0	$0	$15,996,615
10	2024-25	$21,871,419	$709,558	$0	-$7,468,140	$874,857	$0	$0	$15,987,694
11	2025-26	$21,420,937	$709,558	$0	-$7,128,578	$856,837	$0	$0	$15,858,754
12	2026-27	$21,157,577	$709,558	$0	-$6,860,627	$846,303	$0	$0	$15,852,810
13	2027-28	$20,902,118	$709,558	$0	-$6,600,602	$836,085	$0	$0	$15,847,159
14	2028-29	$20,654,323	$709,558	$0	-$6,348,266	$826,173	$0	$0	$15,841,788
15	2029-30	$20,413,962	$709,558	$0	-$6,103,393	$816,558	$0	$0	$15,836,685

Table 3– "Value Limitation Revenue Model"--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	$12,642,284	$2,222,096	$0	$0	$505,691	$195,052	$0	$15,565,123
1	2015-16	$13,818,284	$2,222,096	$0	$0	$552,731	$221,472	$0	$16,814,583
2	2016-17	$18,522,284	$1,022,096	$0	$0	$740,891	$207,642	$0	$20,492,913
3	2017-18	$12,922,527	$709,558	$0	-$2,861,560	$516,901	$0	$0	$11,287,426
4	2018-19	$12,922,527	$1,936,135	$0	$0	$516,901	$191,238	$0	$15,566,801
5	2019-20	$12,922,527	$1,936,135	$0	$0	$516,901	$191,238	$0	$15,566,801
6	2020-21	$12,922,527	$1,936,135	$0	$0	$516,901	$191,238	$0	$15,566,801
7	2021-22	$12,922,527	$1,936,135	$0	$0	$516,901	$191,238	$0	$15,566,801
8	2022-23	$12,922,527	$1,936,135	$0	$0	$516,901	$191,238	$0	$15,566,801
9	2023-24	$12,922,527	$1,936,135	$0	$0	$516,901	$191,238	$0	$15,566,801
10	2024-25	$12,922,527	$1,936,135	$0	$0	$516,901	$191,238	$0	$15,566,801
11	2025-26	$21,420,937	$1,936,135	$0	$0	$856,837	$317,446	$0	$24,531,355
12	2026-27	$21,157,577	$709,558	$0	-$6,860,627	$846,303	$0	$0	$15,852,810
13	2027-28	$20,902,118	$709,558	$0	-$6,600,602	$836,085	$0	$0	$15,847,159
14	2028-29	$20,654,323	$709,558	$0	-$6,348,266	$826,173	$0	$0	$15,841,788
15	2029-30	$20,413,962	$709,558	$0	-$6,103,393	$816,558	$0	$0	$15,836,685

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	$0	$0	$0	$0	$0	$0	$0	$0
1	2015-16	$0	$0	$0	$0	$0	$0	$0	$0
2	2016-17	$0	$0	$0	$0	$0	$0	$0	$0
3	2017-18	-$11,143,556	$0	$0	$2,467,626	-$445,742	$0	$0	-$9,121,672
4	2018-19	-$10,800,670	$1,226,577	$0	$9,335,066	-$432,027	$191,238	$0	-$479,816
5	2019-20	-$10,468,071	$1,226,577	$0	$8,999,925	-$418,723	$191,238	$0	-$469,054
6	2020-21	-$10,145,450	$1,226,577	$0	$8,674,768	-$405,818	$191,238	$0	-$458,685
7	2021-22	-$9,832,508	$1,226,577	$0	$8,359,296	-$393,300	$191,238	$0	-$448,697
8	2022-23	-$9,528,954	$1,226,577	$0	$8,053,219	-$381,158	$191,238	$0	-$439,078
9	2023-24	-$9,234,507	$1,226,577	$0	$7,756,258	-$369,380	$191,238	$0	-$429,814
10	2024-25	-$8,948,892	$1,226,577	$0	$7,468,140	-$357,956	$191,238	$0	-$420,893
11	2025-26	$0	$1,226,577	$0	$7,128,578	$0	$317,446	$0	$8,672,601
12	2026-27	$0	$0	$0	$0	$0	$0	$0	$0
13	2027-28	$0	$0	$0	$0	$0	$0	$0	$0
14	2028-29	$0	$0	$0	$0	$0	$0	$0	$0
15	2029-30	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial Impact of the Oxychem Ethylene Project Property Value Limitation Request Submitted to IISD at $1.04 per $100 M&O Tax Rate

School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
2014-15	$0	$0	$0	$1.040	$0	$0	$0	$0	$0	$0	$0
2015-16	$121,403,849	$121,403,849	$0	$1.040	$1,262,600	$1,262,600	$0	$0	$0	$0	$0
2016-17	$601,403,849	$601,403,849	$0	$1.040	$6,254,600	$6,254,600	$0	$0	$0	$0	$0
2017-18	$1,144,355,614	$30,000,000	$1,114,355,614	$1.040	$11,901,298	$312,000	$11,589,298	$0	$11,589,298	-$9,121,672	$2,467,626
2018-19	$1,110,067,061	$30,000,000	$1,080,067,061	$1.040	$11,544,697	$312,000	$11,232,697	$378,013	$11,610,711	-$479,816	$11,130,895
2019-20	$1,076,807,165	$30,000,000	$1,046,807,165	$1.040	$11,198,795	$312,000	$10,886,795	$371,361	$11,258,156	-$469,054	$10,789,102
2020-21	$1,044,545,065	$30,000,000	$1,014,545,065	$1.040	$10,863,269	$312,000	$10,551,269	$364,909	$10,916,178	-$458,685	$10,457,492
2021-22	$1,013,250,829	$30,000,000	$983,250,829	$1.040	$10,537,809	$312,000	$10,225,809	$358,650	$10,584,459	-$448,697	$10,135,761
2022-23	$982,895,420	$30,000,000	$952,895,420	$1.040	$10,222,112	$312,000	$9,910,112	$352,579	$10,262,691	-$439,078	$9,823,614
2023-24	$953,450,672	$30,000,000	$923,450,672	$1.040	$9,915,887	$312,000	$9,603,887	$346,690	$9,950,577	-$429,814	$9,520,763
2024-25	$924,889,268	$30,000,000	$894,889,268	$1.040	$9,618,848	$312,000	$9,306,848	$340,978	$9,647,826	-$420,893	$9,226,933
2025-26	$897,184,705	$897,184,705	$0	$1.040	$9,330,721	$9,330,721	$0	$4,380,019	$4,380,019	$0	$4,380,019
2026-27	$870,311,279	$870,311,279	$0	$1.040	$9,051,237	$9,051,237	$0	$0	$0	$0	$0
2027-28	$844,244,057	$844,244,057	$0	$1.040	$8,780,138	$8,780,138	$0	$0	$0	$0	$0
2028-29	$818,958,850	$818,958,850	$0	$1.040	$8,517,172	$8,517,172	$0	$0	$0	$0	$0
2029-30	$794,432,200	$794,432,200	$0	$1.040	$8,262,095	$8,262,095	$0	$0	$0	$0	$0
					$137,261,279	**$53,954,563**	**$83,306,715**	**$6,893,200**	**$90,199,915**	**-$12,267,710**	**$77,932,206**

Tax Credit for Value Over Limit in First 2 Years

	Year 1	Year 2	Max Credits
	$950,600	$5,942,600	$6,893,200
Credits Earned			$6,893,200
Credits Paid			$6,893,200
Excess Credits Unpaid			$0

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.**